

JUL 14 2014

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

RECEIVED Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|-----------------------------|---------------|----------------|
| Name of Company | Chesapeake Operating, Inc. | Contact | Brian Criswell |
| Address | PO Box 190, Hobbs, NM 88241 | Telephone No. | (575) 263-0409 |
| Facility Name | Tyke Federal #1 | Facility Type | Well location |

| | | | | | |
|---------------|-----|---------------|--|---------|--------------|
| Surface Owner | BLM | Mineral Owner | | API No. | 30-025-31041 |
|---------------|-----|---------------|--|---------|--------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------------|
| L | 17 | 18S | 32E | 1650 | South | 660 | West | Lea County, NM |

Latitude N 32.74477° Longitude W 103.79520°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|--|----------------------------|------------|
| Type of Release | Oil and produced water | Volume of Release | 12 bbls oil and 2 bbls produced water | Volume Recovered | 8 bbls oil |
| Source of Release | Hole in the circulating line | Date and Hour of Occurrence | 02/20/2014 @ 10:00 am | Date and Hour of Discovery | |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Geoffrey Leking-NMOCD, James Amos- BLM | | |
| By Whom? | Cliff Brunson, BBC International | Date and Hour | 02/21/2014 @ 3:18 pm | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | | | |

If a Watercourse was Impacted, Describe Fully.*

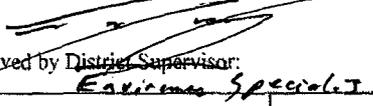
Describe Cause of Problem and Remedial Action Taken.*

A hole in the circulating line caused 12 bbls of oil and 2 bbls of produced water to leak onto the ground. A vacuum truck recovered 8 bbls of oil and the circulating line was repaired or replaced.

Describe Area Affected and Cleanup Action Taken.*

The area affected was approximately 110' x 35' in the northwest corner of the location inside the firewall traveling south outside of the firewall and fence area. Remediation was completed in accordance with the remediation plan approved by Geoffrey Leking of NMOCD on 04/25/14 and approved by Mike Burton of the BLM via email on 04/30/2014.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | |
|--|---|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Brian Criswell | Approved by District Supervisor:  | |
| Title: Safety Specialist | Approval Date: 7-14-14 | Expiration Date: _____ |
| E-mail Address: Brian.Criswell@chevron.com | Conditions of Approval: _____ | Attached <input type="checkbox"/> |
| Date: 7/7/14 Phone: (575) 263-0409 | | 7-14-3170 |

* Attach Additional Sheets If Necessary

1912 4323

2701419 538933

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